

House File 2370 - Introduced

HOUSE FILE 2370

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A BILL FOR

1 An Act relating to enterprise zones by extending the
2 application deadline for certification of enterprise zones
3 and by updating certain fiscal year limitations.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15E.192, subsection 3, Code 2009, is
2 amended to read as follows:

3 3. A city may create an economic development enterprise zone
4 as authorized in this division, subject to certification by the
5 department of economic development, by designating up to four
6 square miles of the city for that purpose. In order for an
7 enterprise zone to be certified pursuant to this subsection,
8 an enterprise zone shall meet the distress criteria provided
9 in section 15E.194, subsection 3. Section 15E.194, subsection
10 2, shall not apply to an enterprise zone certified pursuant
11 to this subsection. ~~For the fiscal period beginning July 1,~~
12 ~~2007, and ending June 30, 2010, each fiscal year a cumulative~~
13 ~~total of not more than twenty-five million dollars worth of~~
14 ~~incentives and assistance under section 15E.196, subsections~~
15 ~~1, 2, 3, 4, and 6, shall be awarded to eligible businesses~~
16 ~~that apply to an enterprise zone commission for incentives and~~
17 ~~assistance during that fiscal year and that are located in an~~
18 ~~enterprise zone certified pursuant to this subsection. For~~
19 ~~purposes of this subsection and section 15E.194, subsection 3,~~
20 ~~"city" means a city that includes at least three census tracts,~~
21 ~~as determined in the most recent federal census.~~

22 Sec. 2. Section 15E.192, subsection 4, paragraph b, Code
23 2009, is amended to read as follows:

24 b. A county or city may apply to the department for an area
25 to be certified as an enterprise zone at any time prior to July
26 1, ~~2010~~ 2012. However, the total amount of land designated as
27 enterprise zones under subsection 1, and any other enterprise
28 zones certified by the department, excluding those approved
29 pursuant to subsection 2 and section 15E.194, subsections 3 and
30 5, shall not exceed in the aggregate one percent of the total
31 county area.

32 Sec. 3. Section 15E.194, subsection 5, paragraph a, Code
33 2009, is amended to read as follows:

34 a. A city of any size or any county may designate an
35 enterprise zone at any time prior to July 1, ~~2010~~ 2012, when

1 a business closure or permanent layoff occurs. The business
 2 closure or permanent layoff must involve the loss of full-time
 3 employees, not including retail employees, at one place of
 4 business totaling at least one thousand employees or four
 5 percent or more of the county's resident labor force based on
 6 the most recent annual resident labor force statistics from
 7 the department of workforce development, whichever is lower.
 8 A permanent layoff does not include a layoff of seasonal
 9 employees or a layoff that is seasonal in nature. For purposes
 10 of this paragraph, "*permanent layoff*" means the loss of jobs
 11 to an out-of-state location, the cessation of one or more
 12 production lines, the removal of manufacturing machinery and
 13 equipment, or similar actions determined to be equivalent
 14 in nature by the department. A permanent layoff must occur
 15 on or after February 1, 2007. The enterprise zone may be
 16 established on the property of the place of business that has
 17 closed or imposed a permanent layoff and the enterprise zone
 18 may include an area up to an additional three miles adjacent to
 19 the property. The area meeting the requirements for enterprise
 20 zone eligibility under this subsection shall not be included
 21 for the purpose of determining the area limitation pursuant
 22 to section 15E.192, subsection 4. The closing business or
 23 business creating a permanent layoff shall not be eligible
 24 to receive incentives or assistance under this division.
 25 An eligible housing business under section 15E.193B shall
 26 not receive incentives or assistance for a home or multiple
 27 dwelling unit built or rehabilitated in an enterprise zone
 28 designated pursuant to this subsection.

29

EXPLANATION

30 This bill relates to the administration of the enterprise
 31 zone program.

32 Currently, to be eligible for assistance under the
 33 enterprise zone program administered by the department of
 34 economic development under Code sections 15E.192 and 15E.194,
 35 an applicant must apply by July 1, 2010. The bill extends the

1 program application deadline to July 1, 2012.

2 Currently, Code section 15E.192 also provides for a \$25
3 million limit on the amount of assistance provided to certain
4 transportation enterprise zones for the fiscal period beginning
5 July 1, 2007, and ending June 30, 2010. In 2009, the general
6 assembly placed the enterprise zone program under an aggregate
7 tax credit limit pursuant to Code section 15.119 which applies
8 to assistance granted under the program through July 1, 2012,
9 so the bill removes the fiscal period limitation language.